VZCZCXRO2588 PP RUEHCI DE RUEHKT #1047/01 3231151 ZNR UUUUU ZZH P 191151Z NOV 09 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC PRIORITY 1041 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 7200 RUEHLM/AMEMBASSY COLOMBO PRIORITY 7537 RUEHKA/AMEMBASSY DHAKA PRIORITY 2878 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5578 RUEHLO/AMEMBASSY LONDON PRIORITY 6685 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3336 RUEHCI/AMCONSUL KOLKATA PRIORITY 4842 RUEHGV/USMISSION GENEVA PRIORITY 2456 RUCNDT/USMISSION USUN NEW YORK PRIORITY 3729 RUEKJCS/SECDEF WASHDC PRIORITY RHMFIUU/CDR USPACOM HONOLULU HI PRIORITY RUEAIIA/CIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY

UNCLAS SECTION 01 OF 03 KATHMANDU 001047

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SUBJECT: NEPAL: MIDWEST NEPAL CALM, MAOIST SUPPORT DECLINES

REF: KATHMANDU 0741

- 11. (SBU) Summary. Support for the Maoists in two districts in midwestern Nepal appears to have decreased since the April 2008 elections, as ethnic-based political movements gain strength. During a trip to Banke and Bardiya districts, EmbOffs found the security situation generally calm. Implementation of the Comprehensive Peace Agreement is mixed; Young Communist League (YCL) criminal activity down, but local peace committees are not functional and only some Maoist-seized land has been returned. No one has confidence that politicians will finish the new constitution on time or that it will make any difference in their lives. End Summary.
- ¶2. (SBU) EmbOffs traveled to Bardiya and Banke Districts in Mid-Western Nepal October 28-30, and met with the Chief District Officers (CDOs), senior police officers, human rights activists, party leaders, and officials from the National Human Rights Commission and Office of the High Commissioner for Refugees. EmbOffs also met with representatives of the Tharu ethnic group, the largest ethnic group advocating for greater autonomy (septel). Bardiya and Banke districts were among the most affected by the 10-year Maoist conflict; in Bardiya district alone, more than 200 people disappeared or were abducted, the highest number of any part of the country.

# Security Situation Improved but Uncertain

- 13. (SBU) The security situation in the two districts appeared generally calm, according to the CDOs and police officials. The Government of Nepal,s Special Security Plan (reftel) has had a positive impact in the districts; the increased police presence and enforcement had reduced the number of road blockades and overall criminal activity. However, the police complained about the lack of needed resources -- manpower, vehicles, and radios -- to implement the plan. Many Village Development Cooperatives (VDCs) had no police presence at all, only "symbolic" visits from time to time.
- 14. (SBU) One of the large Terai-based criminal/political gangs, the Jwala Singh faction of the Janatantrik Terai Mukti Morcha, remained somewhat active in the region, and continued extorting money from wealthy residents. The local officials complained that Jwala Singh members often fled to India when under pressure. India and Nepali officials meet regularly, and cross-border cooperation was improving, Banke CDO

Birendra Bahadur Baniya reported.

15. (SBU) The local police reported that simmering tensions between religious (Hindu-Muslim) and ethnic (Tharu-Terai-Pahadi) groups remained their primary security concern. Police worry that a small incident could spark a larger conflict, such as happened a few months ago when a fight between a Muslim and Hindu led to communal violence, forcing police to use tear gas. Local populations often resent the government officials sent from the "hilly' (Pahadi) region of Nepal to run affairs in their region. For example, in Nepalgunj, the capitol of Banke District in the Terai, Muslims account for nearly 40 percent of the population. In Bardiya district, more than 50 percent of the population is Tharu. Yet, none of the senior government officials in either district were Tharu, Madhesi, or Muslim, and only a handful of the police came from local communities.

## Peace Process Incomplete

16. (SBU) While the security situation is improved, little progress has been made on key peace process issues. The local peace committees -- created by the Comprehensive Peace Agreement to prevent conflict and promote peace at the local level -- are not functional in either district. In Banke, the various parties are fighting over the nomination of the coordinator; in Bardiya, the Maoists have refused to participate. Nepalgunj-based human rights activist Ganesh Regmi said the LPCs were a "great idea" that has been high-jacked by petty party politics.

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- 17. (SBU) In the two districts, the Maoists have yet to return all of the land seized during the conflict -- a key requirement of the CPA -- although the picture is complex. During the conflict, the Maoists did not always seize the land for themselves, but rather handed it over to the "tillers" who previously farmed the land for landlords. The tillers supported the Maoists not for ideological reasons, but because they personally benefited from Maoist policies. Now that the conflict is over, the tillers do not want to return the land, even if the local Maoists ostensibly request it. In some cases, the Maoists have "negotiated" for the return of the land, but the tillers are allowed to keep a larger percentage of the crop (often half instead of a third) -- an unsatisfactory result for the landlords. In some ten percent of the cases, the Maoists/tillers have yet to return any control, reported the Bardiya Nepali Congress leader Krishna Man Shrestha.
- $\P8.$  (SBU) On the positive side, nearly all contacts reported that the criminal activity of the Maoist-affiliated Young Communist League had dropped considerably, with only sporadic reports of looting. (Note: YCL activity is reportedly higher in certain parts of eastern Nepal. End note.) The local Communist Party of Nepal-Maoist leaders and local government officials also appear to cooperate well. During EmbOff,s visit, the two sides met to discuss the modalities of upcoming Maoist protests to ensure they did not turn violent.

# Maoist Support Waning?

 $\P9$ . (SBU) In these two districts, most observers report that political support for the Maoists has decreased somewhat since the April 2008 elections. (Although we tend to agree with these reports, they are anecdotal; there is no accurate polling data in Nepal.) Many ethnic Tharus, who voted en masse for the Maoists, no longer support the party. When the Maoists were in power, many Tharus believe they did little to help them. Tharu leaders are discussing forming their own political party or joining with other oppressed ethnic groups (Janjatis) in a larger political movement (septel). In Bardiya, Maoists no longer hold large rallies because no one comes, the CDO reported.

110. (SBU) Other major political parties, the Nepali Congress and Communist Party of Nepal-United Marxist Leninist (UML) say they are trying to capitalize on the declining Maoist support, but with little success. Organizing in rural areas in Bardiya district remains very difficult, according to district UML leader Ashok Koirala, where the violent conflict with the Maoists continues to loom large in the minds of the local population. This "mentality of fear" is difficult to change. While the Maoists may profess commitment to democracy, no one has any illusions about their ultimate game -- seizing absolute control. One Nepali Congress leader suggested that the Maoists still have "guns and money," and thus will likely win the next election, regardless of their popular support.

## Constitution, What Constitution?

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111. (SBU) Asked about the constitution drafting in Kathmandu, not a single Nepali, from senior official to storekeeper, had any faith in the process. Comments like the leaders only go to Kathmandu to "eat and drink," the constitution "means nothing for my life," and "they won,t be done on time" were common. Several leaders worried that the division of the country in ethnically-based federal states could spark conflict, given Nepal,s complex ethnic diversity. If a Tharu state ("Tharuwaat") is declared in this part of the country -- as proposed by the Maoists and UML -- several observers worried violence might break out between Tharus and the Madhesis. If the area becomes part of a Madhesi state -- as the Terai-based parties seek -- the Tharus will protest. The "hilly" (Pahadi) population, many wealthier landlords or government officials, are uncertain how they will fare in a

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new federal structure.

#### Comment

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112. (SBU) The generally calm security situation in previously-volatile regions is encouraging, but masks deep inter-ethnic and inter-party tensions. The fragile situation underscores the importance of completing the peace process rapidly and reestablishing effective government control throughout the country. If accurate, the reports of declining Maoist support among allies like the ethnic Tharus would pose serious political problems for the Maoists as they prepare for the next election.

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